

 **CBIS**<sup>®</sup>

*Catholic Responsible Investments*

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# *2024 Impact Report*



# A YEAR OF CATHOLIC RESPONSIBLE INVESTMENTS

## *A Look at the Many Ways CBIS is Working for Catholic Investors Around the World*

A message from CBIS President & Chief Executive Officer

Greetings. We're pleased to share with you a summary of our progress in 2023 with the CBIS Impact Report.

Among many things, the Vatican provided Catholic investors with the faith-consistent guidelines presented to us by Mensuram Bonam. For our part, the guidelines appeal to “engage, enhance, and exclude” only reaffirmed CBIS’ four decades of work serving the Catholic Church. You’ll see in this report just how CBIS and its well-formed set of resources execute these fundamental tenets through our Catholic Responsible Investments (CRI) approach.

### **Answering the Call**

As a long-time steward of Catholic assets, CBIS has, over the years, put in place the kind of infrastructure and experience necessary to lean into today’s faith-consistent investment challenges. But we know there is always work to be done in our efforts to serve Catholic investors who are looking to transform the world. A goal of this great magnitude in today’s market requires abundant resources.

To that end, CBIS enhanced the resources dedicated to the CRI Team. A major component of that enhancement is our strategic relationship with Mercer, one of the industry’s largest investment consultants and solutions providers. Backed by this new measure of scale, CBIS team members are already allocating additional time to reinforce the integrity of our CRI process.

### **Scale and Structure**

In total, these additional resources are providing an immediate boost to the team’s advocacy efforts on behalf of shareholders. Indeed, as we ramp up our efforts with this additional capacity, we look forward to actively engaging with as many as 60 companies a year, more than twice that of 2023.

Active ownership work, of course, is more than just numbers, which is why we’ve established the necessary structure to effectively carry out this complex work. You’ll see in this report how CBIS works with the Charisms Council and the Impact and Justice Steering Committee to maintain a clear perspective on the CRI Team’s efforts.

**“I’m confident that with this kind of intentionality, CBIS will continue to bring attention to the key issues facing society today.”**

### **Advancing the Values of Our Investors**

I can't help but feel excited about CBIS' accomplishments during 2023. This report includes highlights of CBIS' shareholder advocacy efforts over the year, including details on specific engagements and a detailed summary of our proxy voting efforts. Just as interesting, I believe, is how CBIS is proactively deploying capital in a constructive fashion through fixed income investments. Our inclusion of impact bonds as part of the asset allocation process is in my mind a nearly perfect example of pursuing financial return and social return in harmony.

And I think you'll be moved when you see the great work of the FSC Foundation. The Foundation was started years ago by the De La Salle Christian Brothers to provide financial support for the educationally disadvantaged, and I couldn't be prouder to say that CBIS still commits a portion of its profits to this great work.

Please know with confidence that we at CBIS will continue to devote ourselves to spreading the good news of Mensuram Bonam. In fact, it's among my highest desires that every member of CBIS be an apostle for the Vatican's message and help other Catholic investors along in their journey. Living our faith by integrally investing our gifts and talents as well as our assets is a noble effort. With your continued faith in CBIS, I'm confident we'll both find success in those endeavors.



**Jeffrey A. McCroy**

*President & Chief Executive Officer*

**“I can't help but feel excited about CBIS' accomplishments during 2023.”**



# 2024 Impact Report: Executive Summary

This 2024 Impact Report presents an in-depth look into CBIS’s expansive work incorporating social and moral teaching into the management of financial assets. We also welcomed into that practice Mensuram Bonam’s call to action, the Vatican’s first effort to incite reflection among Catholic investors on faith-consistent guidelines for stewardship of their finances.

## Answering the Call

You’ll find in this report highlights on the outcomes resulting from the CBIS’ CRI Team engagement efforts with companies represented in CBIS funds. Specifically, the report includes:

- **Stories of achievements with actively engaged companies in 2023**
- **Studies of how impact bonds included in the funds enhanced the responsible mission**
- **Descriptions of how CBIS excludes potential investments with discernment.**

You will understand the ways in which the CRI approach that CBIS has employed for more than four decades easily aligns with Mensuram Bonam’s appeals for faith-consistent-investing to “engage, enhance, and exclude.”

## Committing to our Charism

Since 1988, CBIS directed a portion of its annual profits to the FSC Foundation and its programs designed to support and advance educational services for the poor, especially victims of systemic injustice. This year’s Impact Report includes four real-life stories of grant recipients and how the Foundation effectively allocated CBIS’ contribution over the past year as its primary benefactor.



## Looking Forward

Mensuram Bonam calls us to look forward. In the report, you will see how and why we believe CBIS is well-positioned to execute on the challenges presented by Mensuram Bonam and implement the Vatican’s call to action well into the future.

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# Catholic Responsible Investments



## *Catholic Responsible Investments*

Catholic Responsible Investments<sup>SM</sup>, or “CRI,” is a proprietary strategy designed to provide Catholic investors sound financial returns while remaining faithful to the moral and social teachings of the Church.

By extending a faith-based mission to encompass the management of investment portfolios, CBIS seeks to help Catholic investors around the world match their unique individual missions with moral investment choices.





# Mission, Approach, Vision

## Working to Transform the World

CBIS’ mission is to serve Catholic investors who are looking to transform the world. To that principled end, we employ a proprietary investment strategy designed to help our investors seek sound financial returns while remaining faithful to the moral and social teachings of the Catholic Church: CRI®.

Designed to incorporate a faith-based mission into investment management, the CRI approach affords Catholic investors around the world an opportunity to match their unique individual missions with moral investment choices.

## A Measured Approach

Blessed by the De La Salle Christian Brothers’ original vision, CBIS has been on the responsible investment journey for more than forty years. Shaped by our extensive experience managing Catholic assets, we can say with confidence that our CRI strategy aligns closely with Mensuram Bonam. Indeed, the Vatican’s call to “engage, enhance, and exclude” very much reaffirms the approach CBIS has employed for decades.

Today, with the infrastructure and experience necessary to align with the call of the Gospel and the wisdom of the tradition of the Church, we look forward to not just meeting the challenge of Mensuram Bonam but evangelizing the good news of the Vatican’s work as well. We recognize that as CBIS continues on this journey, we pledge to help other committed Catholics in theirs.

## CBIS is an Evangelist

We’re confident in our belief that CBIS is in a special position to evangelize the good news of Mensuram Bonam. The De La Salle Christian Brothers are dedicated to education, and so is our firm. To that end, we are carrying the Vatican’s message to our investors, to consultants and advisers, and to Church leadership.

Process change occurs when companies are willing to engage and accept input. Behavioral change happens when companies start to implement significant reforms that can have a direct impact on people’s lives. CBIS’ role in all of this is to work as an evangelist for systemic change that can transform the world.



CBIS’ role in all of this is to work for systemic change that can transform the world.



Catholic Responsible Investments

Mensuram Bonam

FSC Foundation



# Mensuram Bonam



# *Mensuram Bonam*

## **A Fervent Call to Action**

With the Vatican's publication of *Mensuram Bonam* in 2022, Catholics were presented with a proposed set of practical, faith-consistent investment guidelines. While the guidance includes a good number of specific directives, *Mensuram Bonam* is intended to represent a "starting point" for Catholic investors seeking to apply faith-consistent criteria in the stewardship of their finances.





# *Mensuram Bonam Overview*

The challenging task of alignment with Mensuram Bonam’s guidance is left to the investor, individuals, and institutions alike.

As a manager of Catholic assets for more than 40 years, CBIS welcomed the Vatican’s first effort to incite reflection among investors on human values for development. Blessed by the De La Salle Christian Brothers’ original vision to serve a significant need for ethical and professional Catholic investment services, we believe CBIS’ long history of work in Catholic responsible investing has positioned us well to embrace the Vatican’s challenge.

## **Putting Good Measures into Practice**

CBIS has built the necessary framework and structure to help our investors align their investments with Mensuram Bonam’s guidance. Indeed, CBIS contributed its resources, talent, and credibility to the Mensuram Bonam steering committee, two members of which now serve on the CBIS Charisms Council.

We believe that the Vatican’s call to “engage, enhance, and exclude” has placed CBIS in a special position to evangelize the good news of Mensuram Bonam. Which is why CBIS has committed to carrying the Vatican’s message to investors, to consultants and advisers, and to Church leadership.

In addition to sponsoring the first Mensuram Bonam Conference held last year in Rome, Italy, CBIS has hosted its own Global Conference and participated in numerous industry events and panel discussions in a passionate effort to spread the message.





## Our Resources

From its founding in 1981, CBIS has sought to embody the vision and innovative spirit of Saint John Baptist de La Salle, the patron saint of teachers. From inception, CBIS has been building CRI solutions designed to assist Catholic Church organizations in meeting both their current and future investment needs.

Today, the firm's CRI infrastructure represents the accumulation of more than 40 years of resources, talent, and credibility. The CRI Team includes experienced professionals with skills in investments and expertise in such distinct areas as education, policy advocacy, rule of law, and access to justice. Meanwhile, the firm's network of legal partners - both CBIS and non-CBIS professionals - stands ready to provide analysis on complex issues. CBIS utilizes this critical support to leverage a range of active ownership efforts, including corporate engagements, shareholder resolutions, and proxy voting.

Our strategic relationship with Mercer represents a formidable extension of the CRI Team.

As one of the industry's largest investment consultants and solutions providers, the additional resources will add significant scale to the CRI Team, and immediately provide CBIS team members with more time and resources that will reinforce the integrity of our CRI process.

**All of this together places CBIS in a well-established position to embrace the challenges of Mensuram Bonam. In the good spirit of the faith-consistent guidelines, we welcome the opportunity to support other committed Catholic investors wherever they are on their journey.**



## CBIS Charisms Council

Recognizing that Catholic teachings are not prescriptive in nature, the Charisms Council discerns how those teachings are evolving in the current world. An independent external advisory body comprised of thought leaders in Catholic moral and social teaching, the five-member Council reviews and opines on important CBIS initiatives that touch on the firm's application of Catholic teaching in its CRI strategies.

Functioning as our voice to the outside world, the Charisms Council assures that we maintain a broad perspective.

The Council recently welcomed two new members – Rev. Father Séamus Finn, OMI and, John Dalla Costa – both of whom are members of Mensuram Bonam steering committee.



**Rev. Father Séamus Finn, OMI**  
Chief of Faith Consistent Investing  
at Oblate International Pastoral  
Investment Trust, Washington, DC, USA



**John Dalla Costa**  
Founding Director at the Centre for  
Ethical Orientation, Sansepolcro, Italy



**Sister Patricia Boss, OP**  
Retired Chief Financial Officer,  
Sisters of St. Dominic, San Rafael,  
California, USA



**Deacon Jeff Trumps**  
Chief Financial Officer, Diocese of  
Lafayette, Lafayette, Louisiana, USA



**Rev. Dariusz Garbaciak, SVD**  
General Treasurer, Society of the  
Divine Word, Rome, Italy

## Impact & Justice Steering Committee

The CBIS Impact & Justice Steering Committee vets and determines the viability and appropriateness of the firm's Impact & Justice activities. An internal group of leaders representing different facets of the CBIS organization, including the Executive Committee, the CRI Team, and U.S. and Global Distribution, this group sets the tone for our entire CRI program.

The Committee, which also oversees the firm's proxy voting and screening practices, reviews, discerns, and approves the firm's:



Active ownership portfolio



Active ownership strategies



Proxy voting guidelines



Catholic Responsible  
Investments screens

## Shareholder Networks

CBIS works in collaboration with shareholder networks around the world whose members, like us, view shareholder engagement with corporations as a powerful catalyst for change. In collaboration with these networks, we share knowledge and lead strategies to strengthen corporate performance on a range of focus issues, including human rights, governance, and sustainability issues.

### Our partners in these efforts include:

- **Interfaith Center on Corporate Responsibility** (ICCR), a coalition of faith- and values-based investors.
- **Resource Center for Religious Institutes** (RCRI), an organization created to serve the needs of Catholic communities of religious women and men.
- **FAIRR Initiative** (FAIRR), a collaborative investor network that raises awareness of the environmental, social, and governance risks and opportunities in the global food sector.
- **Ceres**, a nonprofit advocacy organization working to accelerate the transition to a cleaner, more just, and sustainable economy.
- **Principles for Responsible Investment** (PRI), a United Nations-supported international network of financial institutions working together to implement its aspirational principles.

In total, shareholder networks represent thousands of like-minded investors globally representing trillions of dollars of assets.

*Shareholder advocacy, by definition, means leveraging the power of stock ownership to promote positive change in a company's policies, processes, and products. It's through our investors that we're in position to leverage that power through active engagements with portfolio companies. We say without hesitation that CBIS has accrued the kind of capital and resources necessary to effectively engage with portfolio companies regardless of size or scale.*

*Without that "seat at the table" along with these combined resources and human capital, CBIS would have no voice in corporate boardrooms around the world. That presence will help us serve Catholic investors who are looking to transform the world.*





# *CBIS is Meeting the Challenge of Mensuram Bonam*

## **How CBIS is Meeting the Challenge of Mensuram Bonam**

Given CBIS' history of work with issues related to human life and dignity, economic justice and the common good, and care for creation, we can say with confidence our CRI approach closely aligns with the Vatican's call to action. Indeed, we believe that Mensuram Bonam's appeals for faith-consistent investing to "engage, enhance, and exclude" reaffirms the CRI strategy CBIS has employed for more than four decades.



*Engage*



*Enhance*



*Exclude*

# Engage



## How We Engage

CBIS has long believed that engaged ownership is the most effective way to raise awareness and change perceptions of company management. From its founding, CBIS has assumed what Mensuram Bonam describes as “vote, voice, and exit” to be a core tenet of its approach.

Well beyond letter writing and proxy voting, CBIS engages with portfolio company leadership on behalf of investors regarding core issues of concern to Catholics. We believe that companies paying attention to these issues, which we often bring through shareholder resolutions, will be better-performing companies. In the end, we want these businesses and our investors to succeed.

Over the years, CBIS has developed relationships with a broad range of organizations, both religious and secular, that share a common cause: a persistent focus on social and environmental justice and a collective commitment to bring these concerns to companies through direct, collaborative engagement. These associations with investor coalitions help serve to keep our work grounded and authentic while allowing us to amplify our voice through collective action.





# Engage

CBIS also enjoys the benefit of its “manager of managers” approach to portfolio development and management.

Beyond avoiding investment in companies that violate Catholic teachings as part of portfolio management, CBIS sub-advisers are often well-positioned to work with the CRI Team in promoting joint action and advancing our engagement goals.





Apple

ENGAGEMENT START: 2018

### Engagement Goal

Improve tools to prevent child sexual exploitation and remove sex abuse material.

### Recent Developments

Apple has numerous products and services that can be accessed by children. CBIS recognizes that children’s right to privacy should be protected, however we believe technology companies must also consider all the rights of children, including the right to protection from harm. CBIS asked that Apple conduct a child rights risk assessment, share those findings, and implement recommendations. We also asked for data regarding the performance of Apple’s communication safety tools designed to prevent child sexual exploitation.

### Positive Impacts

**Apple agreed through negotiations with CBIS to the following: the company agreed to organize a discussion with Apple Board member Sue Wagner who chairs the company’s Nominating and Corporate Governance Committee. Apple also agreed to provide CBIS with a summary of its child rights impact assessments, the nature and severity of the harm, and how Apple is addressing identified risks. Additionally, Apple will explain how it identifies images of child sexual abuse material and the steps it takes to address accounts associated with them.**

### CBIS Pillar



Human Life & Dignity

- *Over 2B active devices worldwide*
- *Communication Safety feature is now turned on by default for all children under 13*

Source: support.apple.com. As of 12/31/23.



Verizon

"CBIS and Verizon share a common goal of protecting children from online exploitation and abuse. We appreciate both CBIS' willingness to engage with us on this critically important topic and the expertise and advice that CBIS has brought to our discussions."

- Verizon, November 2023



ENGAGEMENT START: 2017

### Engagement Goal

Improve tools to prevent child sexual exploitation and remove sex abuse material.

### Recent Developments

CBIS has worked with Verizon for a number of years, and through engaging, the company has significantly improved its risk responses. This includes conducting a child rights impact assessment, disclosing a summary of its findings and recommendations, and commenting on how to better protect children. In 2023, Verizon began scanning videos in the cloud to identify, remove, and report child sex abuse material ("CSAM") and identified risks to children associated with the growth of its 5G technology. Additionally, Verizon strengthened its transparency around children's issues and adopted the principles of the Tech Coalition's Voluntary Framework for Transparency to combat online child sexual exploitation.

### CBIS Pillar



Human Life & Dignity

### Positive Impacts

Verizon has taken a leadership role in addressing CSAM in the telecom industry, including conducting a case study for Global Child Forum on how businesses can incorporate child rights into their reporting. It has also committed ethical AI principles as defined by the World Benchmarking Alliance. We believe Verizon's actions will help to set the standards in the telecom sector, and CBIS has therefore closed this engagement.

- **Affects 143M subscribers**
- **Reported 37,106 cases of suspected child sexual abuse material to NCMEC**

Source: Statista.com, National Center for Missing & Exploited Children (NCMEC). As of 12/31/ 2023.



**Hermès**

ENGAGEMENT START: 2019

### Engagement Goal

Improve human rights due diligence throughout the company's supply chains.

### Recent Developments

Our engagement with Hermès sought greater transparency around the labor practices of its suppliers.

In response Hermès provided evidence that its cashmere is not sourced from Uyghurs working under forced labor conditions in China and has strengthened its forced labor risk mapping process.

### Positive Impacts

**Hermès has now committed to monitoring, reporting, and mitigating the risks identified by its global human rights risk identification process. Also, by making its employee complaints mechanisms available to external stakeholders, including suppliers and non-governmental organizations, Hermes empowered workers to speak out.**

### CBIS Pillar



Economic Justice & the Common Good

- *Impacts operations in 45 countries, 294 stores worldwide*
- *Improved worker voice for 22,040 employees in 2023*

*Source: Hermès 2023 CSR Extract and Plan de Vigilance. As of 12/31/23.*



Abercrombie & Fitch

# Abercrombie & Fitch

ENGAGEMENT START: 2023

## Engagement Goal

Commit to adequate pay and health and safety of workers throughout the supply chain.

## Recent Developments

In 2023, Abercrombie & Fitch enhanced its supply-chain transparency and disclosed 100% of its tier 1 suppliers, 90% of its fabric mills, and 100% of its personal care suppliers. The company also aligned its data with the Open Data Standards for the Apparel Sector. To safeguard whistleblowers, the company set up grievance mechanisms and worker rights training. Abercrombie & Fitch further committed to responsible recruitment by instituting and enforcing a “no worker-paid fees” policy, with monitoring of violations and reimbursement of unfair fees. Finally, the company is finding ways to test the origin of the cotton it uses, which can help to reduce the risk of sourcing from countries at risk of forced labor.

### CBIS Pillar



Economic Justice & the Common Good

## Positive Impacts

**Transparency in the Abercrombie & Fitch supply chains can help activate local sources who have on-the-ground knowledge of unfair labor practices.**

**The company has also agreed to publish summaries of its audit findings, which will help educate stakeholders across the apparel industry as to best practices.**

- *Enhanced its transparency and published 100% of its Tier 1, 90% of its fabric mill and 100% of personal care filler*
- *Impacted 31,700 direct employees and over 50,000 workers in the supply chain*
- *Affects 247 stores worldwide*

Source: ReMake Fashion Accountability Report. As of 12/31/23.



ENGAGEMENT START: 2022

## Engagement Goal

Accelerate decarbonization strategies as part of a Just Energy Transition for customers, workers, and communities.



# Southern Company

## Recent Developments

Southern Company in 2023 disclosed its investment in future climate solutions, providing funding details toward the innovation of clean energy, the technologies to be developed, and products that may enable the economy to decarbonize. This aligns the company’s capital expenditures plans with stated decarbonization targets to achieve Net Zero carbon emissions by 2050. Additionally, the company provided evidence of effective stakeholder engagement activities, with transition-out steps and transition-in initiatives for the employees and communities impacted by coal-fired plant closures.

### CBIS Pillar



Care for Creation

## Positive Impacts

As one of the five largest utilities\* in the U.S., the Southern Company is an essential partner in a Just Energy Transition.

Given its prominence in the industry, the company has the opportunity to assume a leadership role in this transition, inspiring other companies to follow its lead.

\*Source: Statista.com

- **Among the 177 companies identified as the largest corporate greenhouse gas emitters across industries, who are “key to driving the global Net Zero transition”**
- **Affects 9M customers across six states through its subsidiaries. Covers 120,000 square miles and includes 27,000 miles of distribution lines.**

Source: Climate Action 100+, Southerncompany.com. As of 12/31/23.



ENGAGEMENT START: 2022

## Engagement Goal

Integrate climate impacts into company financial reporting and audit process.



# Rio Tinto

## Recent Developments

CBIS has engaged Rio Tinto, one of the world’s largest metals and mining corporations and a leading iron ore producer, to request the company reflect risks from climate change in its financial statements and share its strategy to address and mitigate these risks. A key part of our efforts has been to urge the company to include climate impacts in its audit process.

Our goal for Rio Tinto is to provide more transparency on how it is deploying capital in line with a low-carbon future and how it can accelerate its plans to decarbonize, with less capital devoted to carbon-intensive assets. To assess progress, we review the climate accounting and audit assessment of the Climate Action 100+ Net Zero company benchmark, examining how the world's largest corporate greenhouse gas emitters address climate risks for long-term investors and the global financial system.

## Positive Impacts

**From an investor perspective, climate risks are financial risks, so Rio Tinto’s leadership on climate-related financial disclosures is significant – the company disclosed carbon price assumptions, that operational targets were reflected in the assumptions, and the audit report identified how the auditor assessed the material impacts of climate-related matters. Given the company’s size and influence, its recent actions have potential sector-wide implications.**

### CBIS Pillar



Care for Creation

- **72% of the electricity used by Rio Tinto in 2023 came from renewable sources**
- **Published a detailed Climate Action Plan, outlining targets to get Scope 1 and 2 emissions down 50% by 2030.**

Source: riotinto.com. As of 12/31/23.

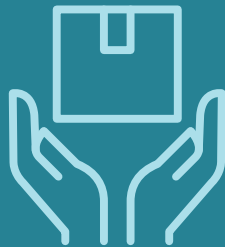


# Economic Justice & the Common Good

## Industria de Diseño Textil, S.A. (Inditex)

Inditex provided evidence and shared learnings on how the commitment to pay a living wage to supply chain workers is being implemented, eventually affecting

**1,729 direct suppliers;**  
**8,271 factories;**  
**3 million employees.**



## WH Group Limited

CBIS engagement with WH Group Limited is to help empower their

**101,000**

employees worldwide to remove themselves from workplace harms with paid sick leave benefits.



Source: Inditex.com, as of 12/31/2023; forbes.com. As of 06/30/2024.





# Human Life & Dignity

## KOSA (Kids Online Safety Act)

CBIS accompanied 80 youth to visit with members of U.S. Congress to

**advocate for legislation to address on-line sexual exploitation and abuse**

KOSA now has broad bi-partisan support.



Source: Statista.com. As of 12/31/23.

## AT&T

AT&T shared learnings from participation in Global Child Forum's business academy,

impacting

**101.8 million subscribers**





# Care for Creation

## Molson Coors

CBIS is engaging with Molson Coors to measurably enhance water quality. Without altering current levels of consumption and pollution almost

# 1/2 the world's population

## will suffer water stress by 2030.



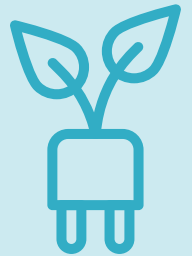
Source: International Resource Panel, Statista.com. As of 12/31/23.

## RWE

CBIS started engaging RWE to accelerate decarbonizing strategies as part of a just energy transition, impacting 20,000 employees serving

# 30 million

## customers in the Asia-Pacific region, Europe, and the U.S.





# 2023 Engaged Companies



## Economic Justice & the Common Good

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- Abercrombie and Fitch
- Hugo Boss AG
- Hermes International SCA
- Industria de Diseño Textil, S.A.
- Ross Stores, Inc.
- Tyson Foods, Inc.
- WH Group Ltd. (HK)



## Human Life & Dignity

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- Alphabet, Inc.
- Apple, Inc.
- AT&T, Inc.
- Chevron Corporation
- The Geo Group, Inc.
- Meta Platforms, Inc.
- SLB
- Verizon Communications, Inc.
- Visa, Inc.



## Care for Creation

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- Domino's Pizza, Inc.
- Engie SA
- Entergy Corporation
- Exxon Mobil Corporation
- Molson Coors Beverage Company
- Rio Tinto plc
- RWE AG
- Shell plc
- Southern Company
- Target Group, Inc.

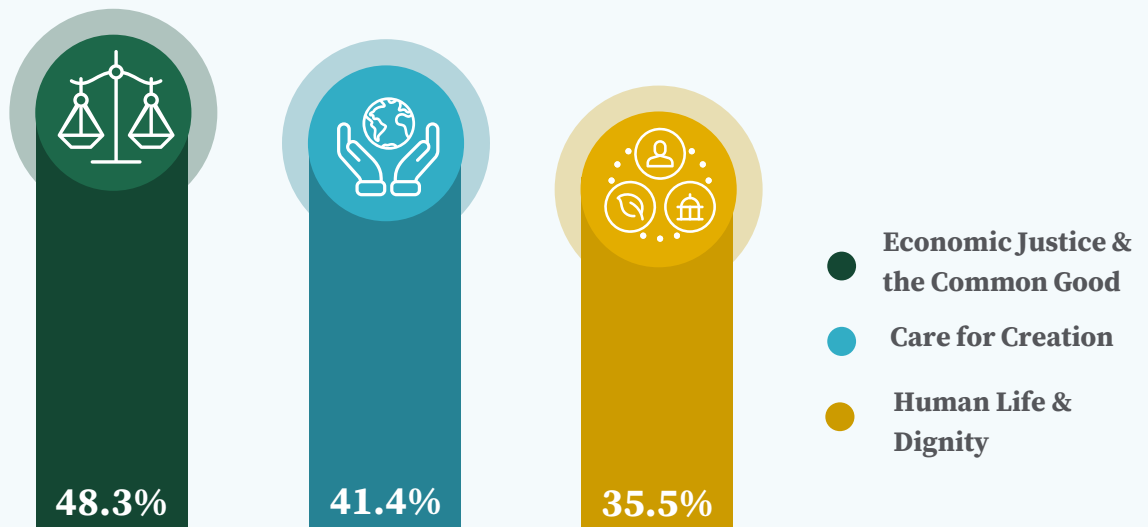
# 2023 Active Ownership Statistics

## Company Engagement Milestone Progress CBIS achieved 36 milestones with 27 companies during 2023

CBIS Pillar	2023 Engagements	2023 Milestone Achieved
Human Life & Dignity	10	20
Economic Justice & the Common Good	7	9
Care for Creation	10	7
<b>Total</b>	<b>27</b>	<b>36</b>

Each engagement includes multiple milestones.

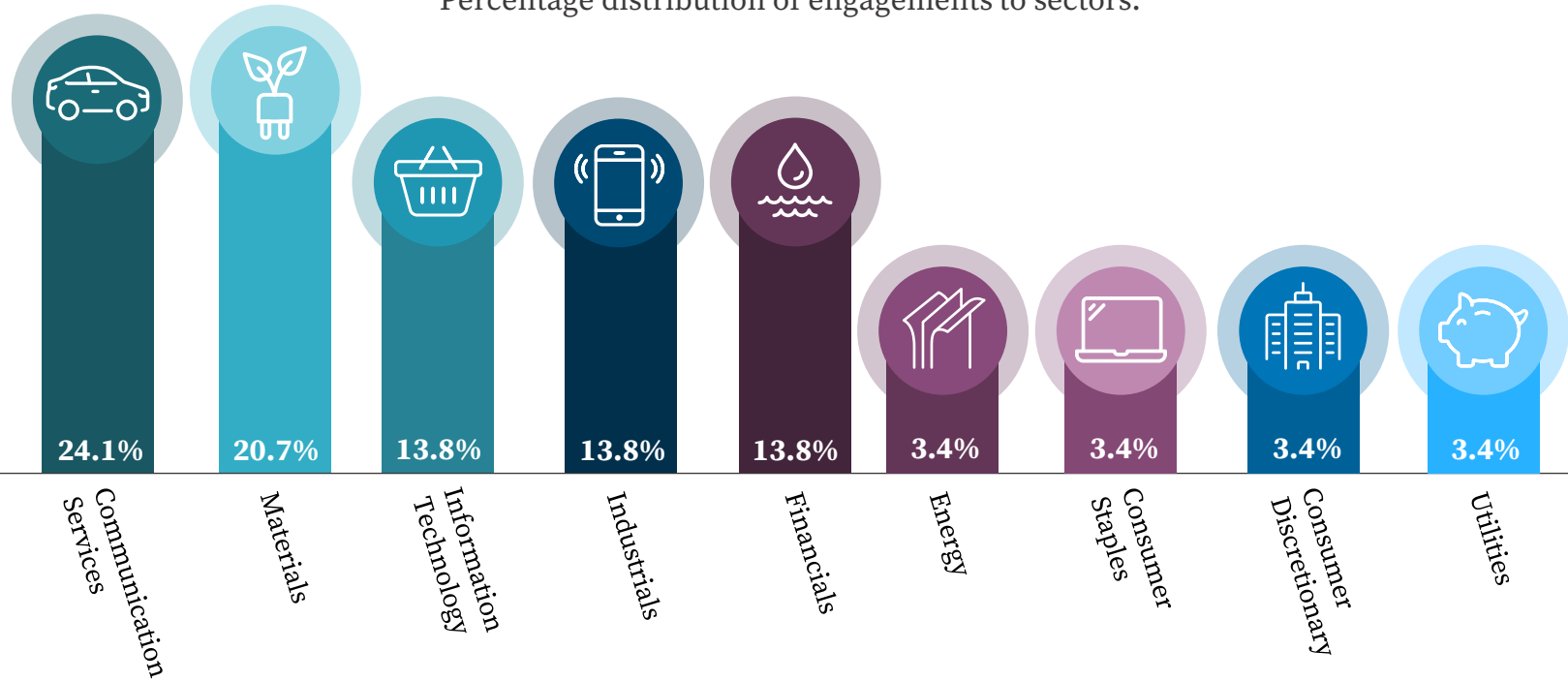
## Percentage Distribution of Engagement Topics



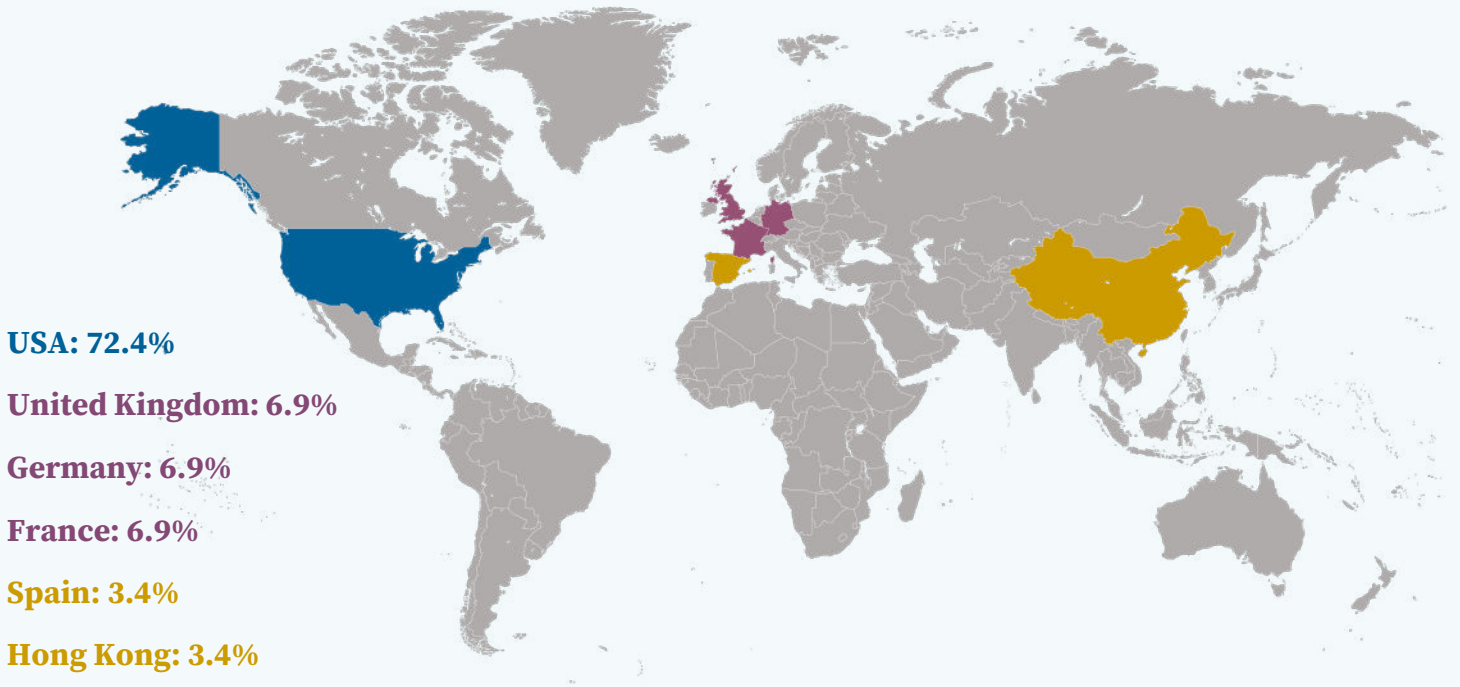
A company may be engaged on topics covering more than one pillar.

## Company Engagement by Sectors

Percentage distribution of engagements to sectors.

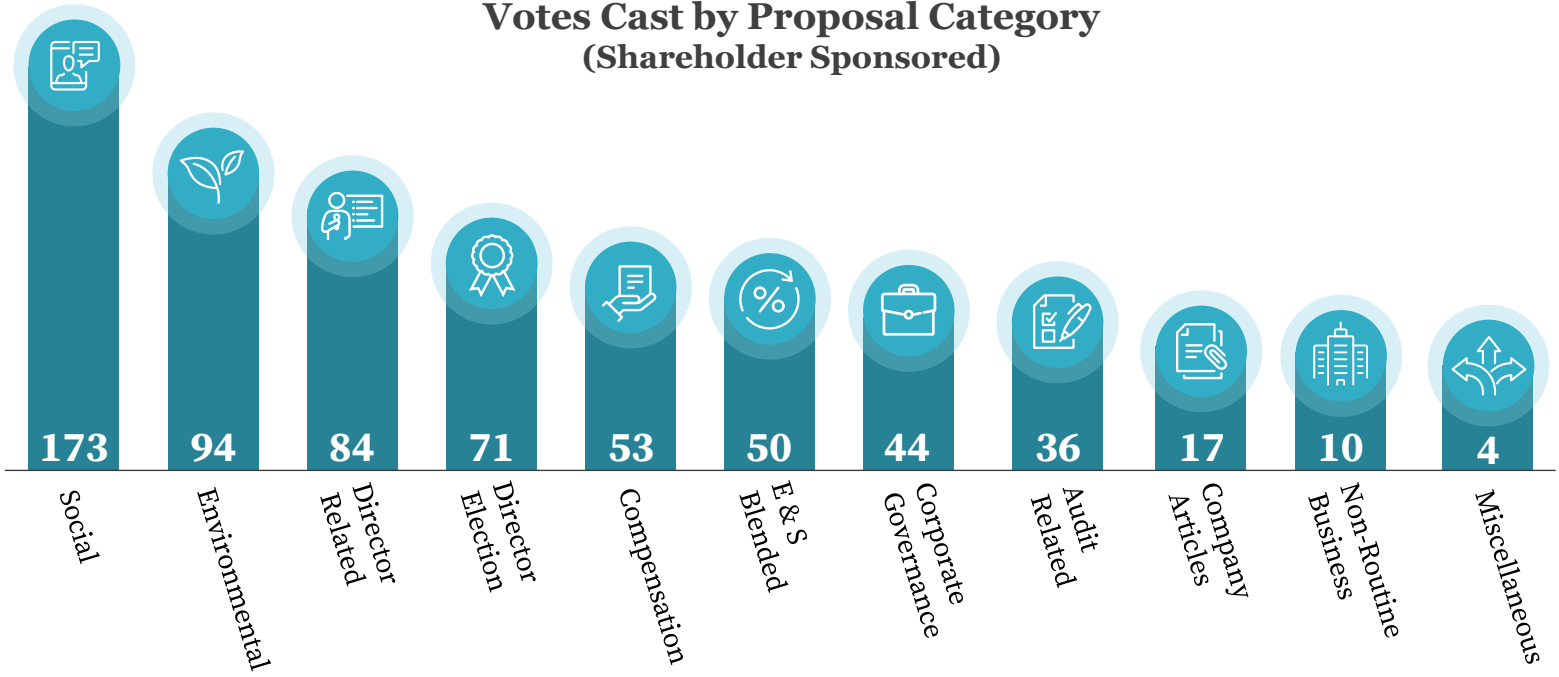


## Company Engagements Around the World

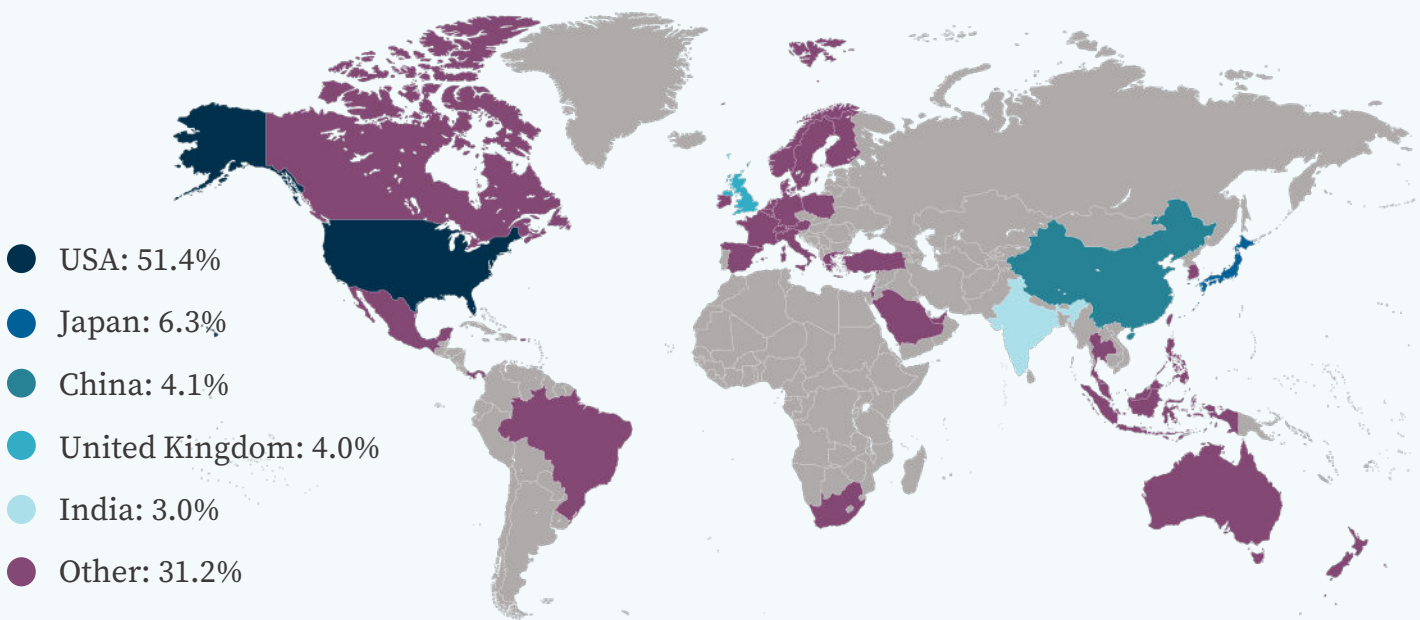


# 2023 Proxy Voting Statistics

## Votes Cast by Proposal Category (Shareholder Sponsored)



## Top Five Countries with the Highest Concentration of Meetings



Source: ISS.

# Enhance



## How We Enhance

Enhancement, according to Mensuram Bonam, calls for a commitment to consider investments that contribute to environmental, social, and human goods needed for integral development. Those considerations would include issues such as job insecurity, poor access to health, lack of food, or water security.

Our commitment to enhancing is affected through impact investing, an approach that seeks to respond to different social and environmental challenges confronting communities and society. Rather than wait for innovative developments to emerge, Catholic impact investing aims to spark and advance projects that particularly align with the Catholic faith.

CBIS' fixed income fund offerings also include thoughtful allocations to impact bond investments. Distinct from traditional fixed income securities, publicly-traded impact bonds are designed to generate positive, measurable social and environmental impact in addition to a financial return.





# Sunnova 2023- GRID1 1A



## Purpose of Bond

Renewable Energy & Climate Change

## Issuer

Sunnova is a U.S. based provider of residential rooftop solar and battery storage systems with a mission to power energy independence.



## Purpose

Expand renewable generation into disadvantaged communities and to households with different credit profiles than Sunnova's traditional customers under its Project Hestia program. Its goals are supported by a \$3 billion U.S. Department of Energy loan guarantee that enhances credit quality and lowers loan costs for borrowers.



## Expected Impact

Anticipated results include an additional 75,000 to 115,000 solar systems that would not have occurred otherwise, effectively replacing the equivalent of a new utility-scale natural gas power plant.

Source: TAL/Nuveen, Wellington Management Co. LLP.





## Purpose of Bond

Natural Resources

## Issuer

GPS Blue Financing is a special purpose vehicle supporting efforts by the Galapagos Life Fund (GLF) and the Republic of Ecuador to protect the marine resources of the Galapagos archipelago, one of the most ecologically diverse places on Earth.



## Purpose

Implementing sustainable practices within a large commercial tuna fleet to protect the country's priceless natural resources.



## Expected Impact

Proceeds were used to refinance tendered bonds of Ecuador, freeing up capital to make annual payments to the GLF in support of sustainable fishing. Payments are scheduled to total \$223 million to the GLF while the endowment is predicted to grow up to \$250 million, resulting in nearly \$500 million devoted to marine conservation.

Source: TAL/Nuveen, Wellington Management Co. LLP.



## Purpose of Bond

Community & Economic Development

## Issuer

Frontier, the second largest provider of fiber internet in the U.S., issued bonds under its Sustainability Finance Framework to develop more fiber locations in rural and underserved areas.



## Purpose

High-speed internet connectivity has become essential for educational and personal advancement. However, 43% of lower income adults lack home broadband and 4.4 million households with students lack access to a computer.



## Expected Impact

Frontier will devote bond proceeds to locations that are within 40 miles of urban centers and/or are low-income communities to provide accessible, affordable internet access to those most in need.

Source: TAL/Nuveen, Wellington Management Co. LLP.

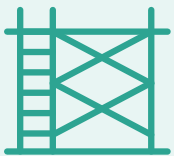


## Purpose of Bond

Affordable Housing

## Issuer

The NHP Foundation (NHPF) is a non-profit real estate organization dedicated to preserving and creating affordable multifamily housing for low- and moderate-income families and individuals.



## Purpose

NHPF seeks to promote greater diversity, inclusion, racial equity, and social justice while providing sustainable, service-enriched affordable housing. Net proceeds will finance the acquisition and construction of new affordable housing projects and will fund other mission-aligned projects to promote affordable housing.



## Expected Impact

NHPF's social bond issuance will enable the organization to expand its reach throughout the U.S. to serve a larger portion of the population experiencing meaningful financial need. This will support quality affordable housing programs geared toward building residents' skills and well-being, and facilitating economic empowerment with increased employment and scholastic opportunities.

Source: TAL/Nuveen, Wellington Management Co. LLP.



**IBRD**



## Purpose of Bond

Natural Resources

## Issuer

The International Bank for Reconstruction & Development (IBRD) is the largest issuer of sustainable development bonds to support development activities in 189 middle-income and creditworthy low-income member countries.



## Purpose

IBRD's mission is centered around ending extreme poverty and fostering resilient and inclusive development.



## Expected Impact

From July 2022 to June 2023, the IBRD supplied \$38.6 billion for 136 operations in developing countries. Its top three sustainable development themes will continue to be environment and natural resources management; urban and rural development; and human development and gender, demonstrating the breadth of IBRD's impact.

Source: TAL/Nuveen, Wellington Management Co. LLP.



## Purpose of Bond

Education and Job Training

## Issuer

PowerSchool is a leading provider of cloud-based software to the K-12 education market. It helps schools and districts efficiently manage reporting and compliance, special education, attendance, funding, learning, instruction, grading, college and career readiness, assessments, and student analytics, in one place.



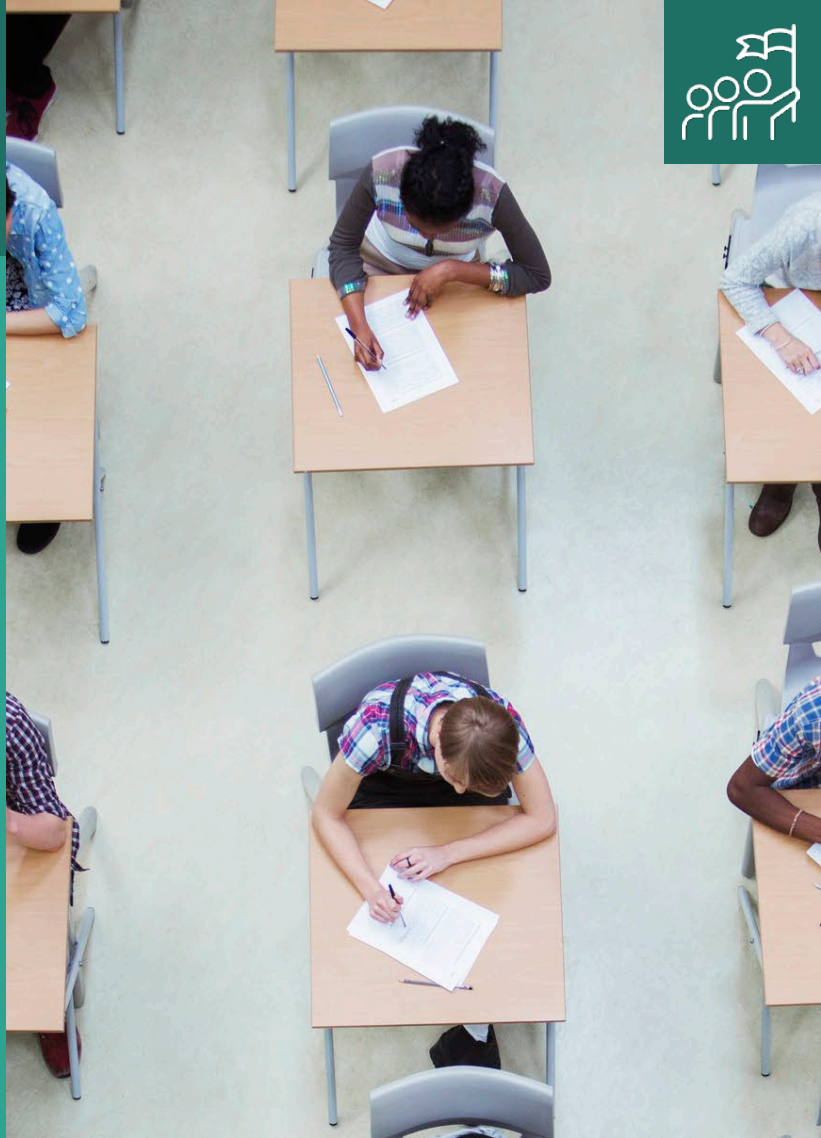
## Purpose

PowerSchool represents the most complete suite of cloud solutions available in the market custom-built for K-12 schools.



## Expected Impact

The PowerSchool software helps streamline workflows and the administrative burden on teachers, allowing them to spend more time teaching students. It provides schools with better tools to track and manage attendance, graduation, and college enrollments. It also provides assessment and analytics that provide insight into a student's abilities.

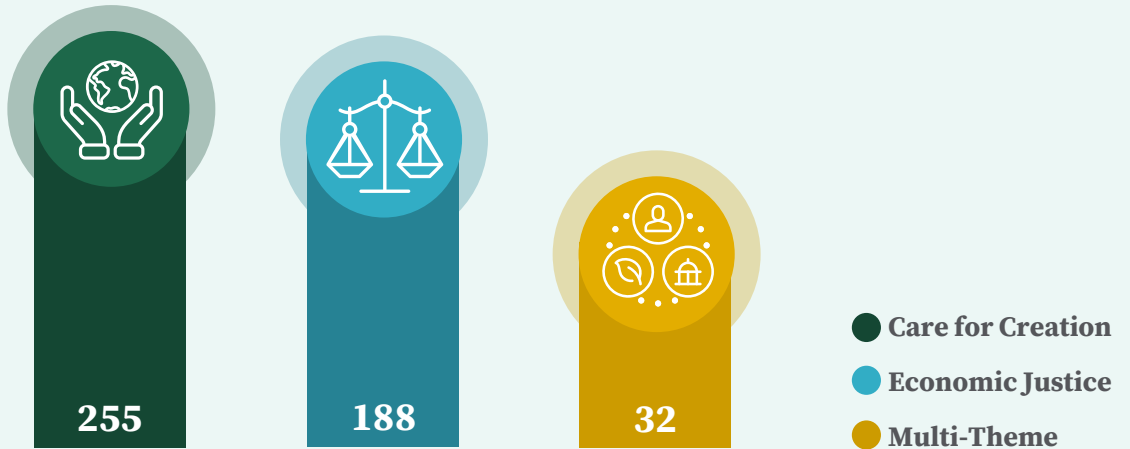


Source: TAL/Nuveen, Wellington Management Co. LLP.

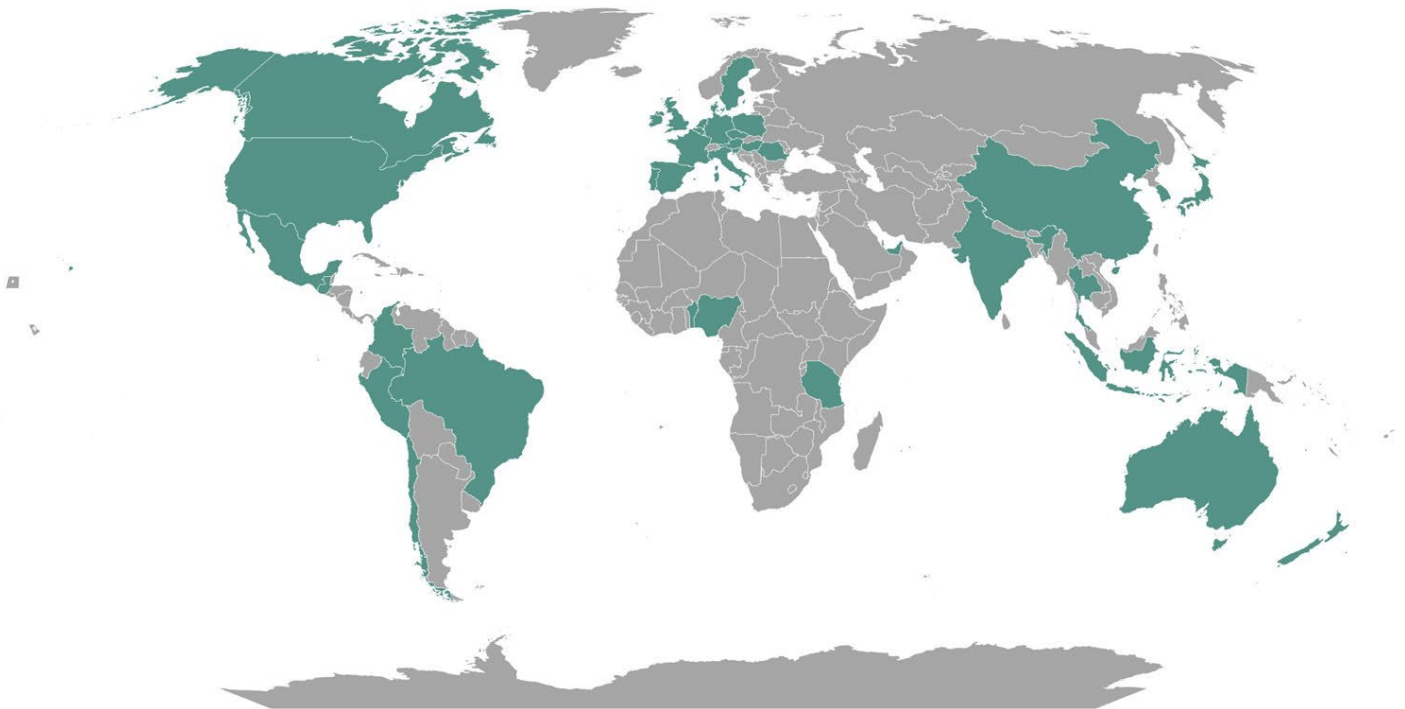
# 2023 Impact Bond Statistics

## Allocation of Bonds in the CBIS Funds Impact Sleeve

### Allocation by Pillar



## Allocation by Geography



Source: TAL/Nuveen, Wellington Management Co. LLP. The information provided to CBIS and CBIS is relying on the asset manager's reporting of data. Teachers Advisors LLC ("TAL"), an investment adviser subsidiary of Nuveen ("TAL/Nuveen"). Nuveen is the wholly owned investment manager subsidiary of TIAA. Nuveen provides investment advisory solutions through its investment specialists including Teachers Advisors, LLC, a registered investment adviser, and sub-adviser to the CRI Short Duration Bond Fund, CRI Opportunistic Bond Fund, and CRI Bond Fund.



# Exclude

## How We Exclude

Mensuram Bonam suggests the key to an exclusionary policy is the avoidance of ethical contradictions between an investment and the teachings of the Catholic Church. The CBIS approach to avoiding unsuitable companies from investment consideration combines a thoughtful deliberation of active ownership issues with an analysis of industry data to screen with discernment.

In total, the CRI approach seeks to exclude altogether those companies whose business activities fundamentally contradict Catholic teachings. CRI screens have been designed to interpret Church guidance and prudently apply that analysis to our portfolio construction.

In practice, the CRI screens address five categories:



**Life Ethics**



**Violence**



**Adult Entertainment**



**Harmful Products**



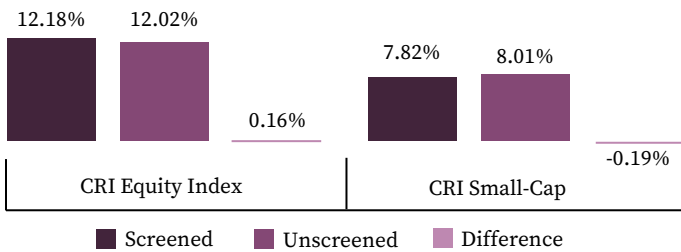
**Targeted Fossil Fuels**



# Exclude

Importantly, the CBIS exclusion process has, over the long term, a history of avoiding companies whose activities violate Catholic Church teachings with little material impact on investment returns.

## Screening Has Not Diluted Performance



Source: eVestment. Period covered: 12/31/2013 – 12/31/2023

Unscreened portfolio use the underlying sub-adviser's actual funds, without CRI screens and provided by eVestment. This research is provided for illustrative purposes of CBIS' screening process and is not meant to represent actual results for the CRI Funds.

It's important to note that the CBIS approach to screening is far more than simply divesting. In the case of fossil fuel producers and users, for example, we seek to influence the industry towards a transformation to a low carbon future. As part of that process, CBIS has introduced a screen to exclude those high-emissions-impact companies that we believe are, or will be, unable to adapt their business model to be part of the solution to climate change.

At the same time, we recognize that technology based on the use of highly polluting fossil fuels needs to be progressively replaced. While fossil fuels are being slowly replaced by sources of renewable energy, until greater progress is made on a global level, we believe it is legitimate to choose the less harmful alternative or to find short-term solutions.

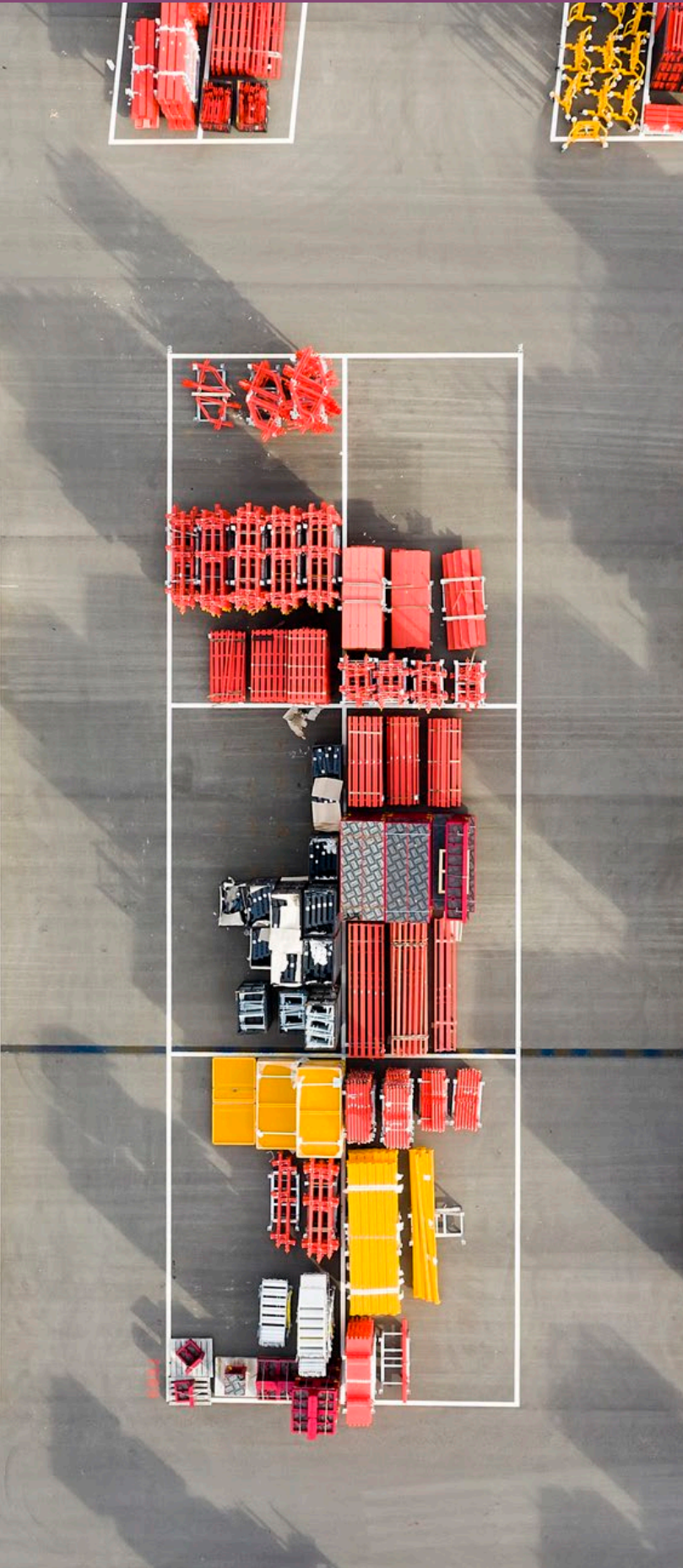


## Screening with Purpose

CBIS's restricted list includes 130 companies from targeted fossil fuels:

- **Electric Utilities**
- **Multi-Utilities**
- **Electricity Producers**
- **Consumable Fuels**
- **Metals and Mining**
- **Industrial Conglomerates**
- **Construction Materials**





Performance as of 06/30/2024	One Year	Five Years	Ten Years
<b>CRI Equity Index Fund</b>	23.97	14.94	12.96
<b>CRI Small-Cap Fund</b>	8.66	8.06	7.62

Source: SEI, FactSet.

Performance over one year are annualized. Expense Ratio: CRI Equity Index Fund: 0.11% (Gross), 0.09% (Net); CRI Small-Cap Fund: 0.29% Gross, 0.29% (Net).

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost and current performance may be higher or lower than the performance quoted. For performance current to the most recent month end, please visit our website at [www.cbisonline.com](http://www.cbisonline.com) or call 1-866-348-6466.*

*Performance data shown prior to 12/03/2021 is that of the funds of the Catholic United Investment Trust (the "Predecessor Funds"). The Predecessor Funds were managed by the Adviser using investment objectives, strategies, policies, and restrictions that were in all material respects equivalent. The performance information has been adjusted to reflect Fund expenses which may result in higher or lower performance.*

Catholic Responsible Investments

Mensuram Bonam

FSC Foundation



# FSC Foundation



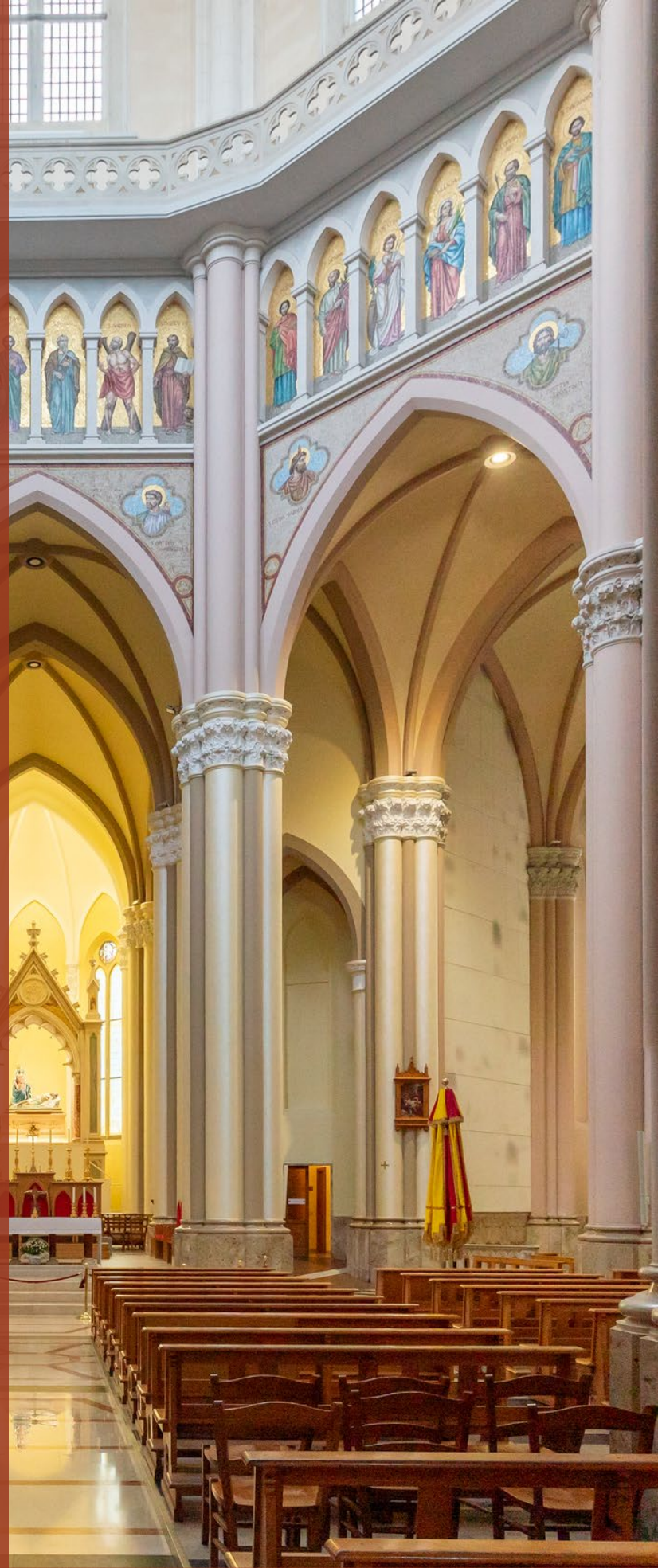


## *FSC Foundation*

The FSC Foundation (Fratres Scholarum Christianarum) exists to provide funding to Roman Catholic organizations that support and advance educational services for the poor, especially victims of systemic injustice – the charism of the De La Salle Christian Brothers.

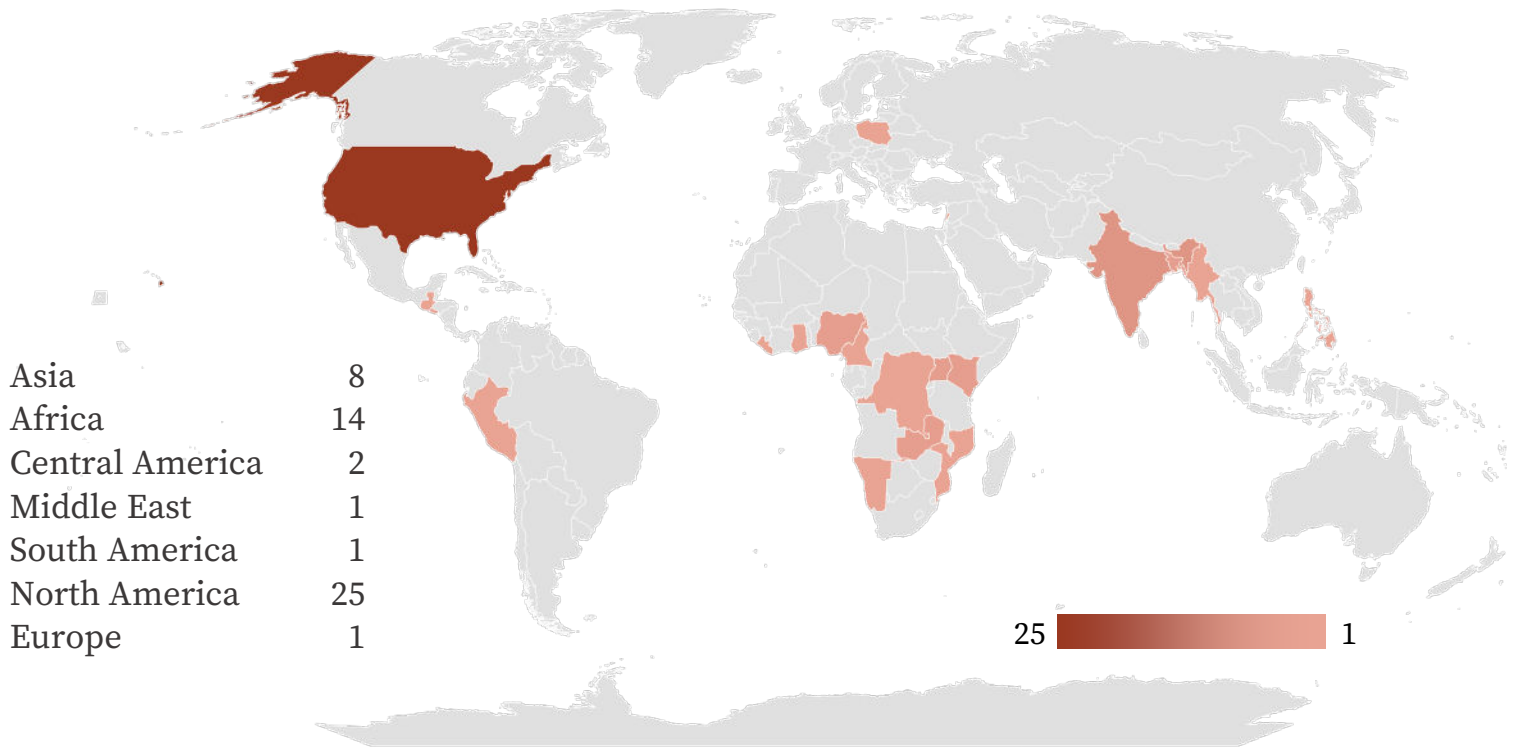
Since 1988, CBIS has been the Foundation’s primary benefactor, committing a portion of its profits in support of the organization and toward the advancement of its efforts.

By extending the caring vision of St. John Baptist De La Salle through its grants, the FSC Foundation significantly impacts the Catholic community.





## 2023 FSC Foundation Grant Recipients by Continent



Source: FSC Foundation

The FSC Foundation exists to provide funding to organizations that focus on educating and serving the young, especially the poor. You might recognize this as the charism of the De La Salle Christian Brothers.

**From its inception through the end of 2023, the Foundation has awarded 1,665 grants amounting to more than \$4.2 million in funding for serving children around the world.**

“

Along with educating much-needed healthcare workers, we are here to give hope to the young people in a very impoverished area. Hopefully many of our students will serve in the local area.”

— Sister Pat Hanvey,  
College Administrator



## Sancta Maria College of Nursing & Midwifery

*Zambia*

Lukulu is located in the isolated province of Western Zambia, where there is limited access to healthcare, education, clean water, and sanitation. Reaching Lukulu and its neighboring areas requires traveling for hours over a rough dirt road that turns into a quagmire of mud during the rainy season.

Most people in Lukulu live by subsistence farming in mud huts or poor permanent structures without electricity or running water.

## Bringing Healthcare Education — and Hope — to Lukulu

Without education, local youth are unable to break the cycle of poverty for themselves and their families. In response to Lukulu’s many needs, the Loreto Sisters began developing the College of Nursing and Midwifery in 2020. The goal was to enroll local students in hopes that the graduates would be more likely to remain and work in the area.

Sancta Maria College of Nursing and Midwifery started with only one small computer lab with 15 computers serving 120 students.

The College was able to acquire 50 refurbished computers but had no internet connection for them. The FSC Foundation’s grant provided uplinks, small devices attached to each computer to allow access to Wi-Fi. The Loreto Sisters were also able to purchase access points to set up another computer lab, so that now the students have access to a world of online resources, along with printing capabilities and an internet-connected smart TV.



“

**As we graduate our very first class of students this year, we are so grateful for the FSC Foundation, which opened up equitable internet access for all our students.”**

**— Sister Pat Hanvey**

“

**In 2020, the Congregation of the Benedictine Sisters of Oshikuku in Africa opened St. Michael Hostel to provide care for local orphans and vulnerable children. Our hostel is located in a rural area, with no access to electricity. Thanks to the generosity of the FSC Foundation, we have been able to install solar lighting for our children.”**

— Sister Mary Grace, OSB



## **Benedictine Sisters of Oshikuku**

*Namibia*

Founded in 1932, the congregation of Benedictine Sisters of Oshikuku is based in Namibia, where they offer service through their work in education, catechetical and pastoral service,

health care, and social work. The Benedictine Sisters of Oshikuku continue to follow the rules of St. Benedict, seeking God in community, prayer and work wherever they live and serve.

# Benedictine Sisters of Oshikuku

## Bringing Light to Oshikuku

The lack of electricity at St. Michael Hostel made it very difficult for the children living there to do their schoolwork at night, as they only had candles or firewood for lighting. This was especially problematic when they were studying for exams. Without power, the hostel also had no functional refrigerator and keeping food safely cold was an issue.

The Benedictine Sisters of Oshikuku reached out to the FSC Foundation for financial assistance in bringing electricity to their hostel.

As a result of the grant they received, the sisters were able to purchase solar panel equipment and install lighting in the hostel's study hall, dining hall and kitchen.

They were also able to build a small room to protect their equipment from harsh weather conditions due to high temperatures and heavy rain.



“

**Now that they have light, the kids are overjoyed and can study effectively even at night. We unceasingly applaud your bountiful and open-handed spirit. You definitely made a tremendous impact on our living conditions and changed the lives of many. We will be forever grateful.”**

**— Sister Mary Grace, OSB**



“

We started developing a STEAM program where students would understand the impact of their decisions and their input into the world of data and science.”

— Christopher Williams, PhD



## Our Lady of Guadalupe

*New York*

Our Lady of Guadalupe was created by the Diocese of Rockville Centre in New York as a response to a declining number of Catholic learning institutions. Nearly 70 percent of the school’s demographic speaks Spanish, so students learn half of the day in English and half of the day in Spanish. Our Lady of Guadalupe is the only dual-language Catholic school in the Diocese. With a particular focus on its culturally rich environment, the school has shown immense growth, reaching

a student population of over 450 students in just three years.

The FSC Foundation’s grants have played a pivotal role in the advancement of Our Lady of Guadalupe’s STEAM (Science, Technology, Engineering, Arts, Math) initiative. These funds have not only allowed for the expansion of the program but also empowered the school to provide students with unique learning opportunities.

# Our Lady of Guadalupe

## Exploration Through Education

The FSC Foundation’s 2023 grant enabled the school to expand their hydroponics project from a single system to five, allowing students to explore and understand sustainability practices by growing herbs and plants without soil. The project culminated in distributing herb packets to families during the holidays, integrating practical skills with community service. Moreover, STEAM programs engage students who might not thrive in traditional classroom settings, offering them a platform for practical learning and self-expression.

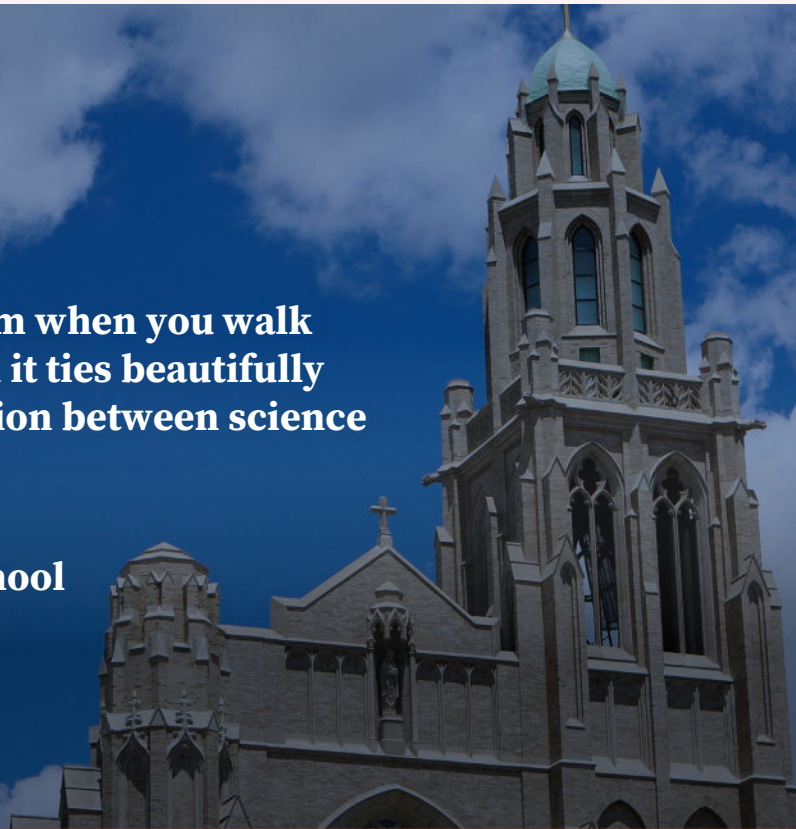
Students are given the chance to explore, build, learn, and experiment in an environment that supports their unique learning needs. STEAM-based learning also emphasizes the importance of developing the skills to communicate and express concepts and ideas.

The program at Our Lady of Guadalupe stands out for its emphasis on real-world applications of STEAM education, as students learn to apply scientific methods and critical thinking to their creations.

“

**You can feel the charism when you walk into their building, and it ties beautifully into the whole connection between science and religion.”**

**– Val Serpis, Head of School**



“

One of the main things we try to do is help and provide food. And we want to help children – there are some that are desperately in need of support and places to sleep.”

— Deacon Steve Greco



## Spirit Filled Hearts Ministry

*Philippines*

Spirit Filled Hearts Ministry’s mission is deeply intertwined with evangelization and support for those in need. As a Catholic non-profit organization, they have expanded their spiritual outreach internationally, holding firm to their belief in missionary work and the transformative power of faith.

### **Spiritual Solace and Community Aid**

In the heart of Manila, Philippines, the newly constructed St. Paul the Apostle Church in Tondo stands as a beacon of hope. Spirit Filled Hearts Ministry chose this impoverished area, home to 250,000 parishioners squeezed into a mere 10 square miles.

# Spirit Filled Hearts Ministry

With support from an FSC Foundation grant, the Ministry provides essential food supplies to those in desperate need.

Through their evangelism, Spirit Filled Hearts Ministry and the Church have been able to provide emergency food supplies, financial support, and healthcare funds in an area where even basic medical resources are scarce.

One poignant aspect of Spirit Filled Hearts Ministry's mission is their dedication to Tondo's youth.

They've supported the Augustinian sisters in providing a home for children living on the streets, addressing their dire circumstances. Offering this safe haven restores dignity and hope.

Spirit Filled Hearts Ministry provides emergency relief, and medical care in Tondo, fulfilling their mission to educate and support the community's youth spiritually. This story serves as a moving reminder of the enduring human spirit and the power of faith-driven aid, demonstrating that serving others is a divine act.



“

**We pray a lot, and then we determine what the greatest needs are.”**

**— Deacon Steve Greco**



## Contact Us

### We want to hear from you!

If you have questions, please reach out to CBIS at:

 [info@cbisonline.com](mailto:info@cbisonline.com) or  (877) 550-2247

Find us on social media:





*Catholic Responsible Investments*

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Catholic Responsible Investment (“CRI”) is an investment strategy designed specifically to help investors seek sound financial returns while remaining faithful to the teaching of the Roman Catholic Church. The Fund considers the Adviser’s CRI criteria in its investment process and may choose not to purchase, or may sell, including at inopportune times which would result in losses to the Fund, otherwise profitable investment in companies which have been identified as being in conflict with the Adviser’s CRI criteria. Funds may underperform other similar funds that do not consider CRI guidelines when making decision.

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**Before investing you should carefully consider the CRI Funds’ investment objectives, risks, charges and expenses. This and other information is available in the prospectus, or summary prospectus. Please read the prospectus carefully before you invest. The prospectus, or summary prospectus, can be obtained by calling 1-866-348-6466.**

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